

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 8

Date of Sale:	November, 1997
Location:	NEC Washington at Diehl Road Naperville, IL
P.I.N.:	08-06-410-001
Land Area (square feet):	682,629
Zoning:	ORI: Office, Research, Light Industry
Flood Plain:	Unshaded X
Sale Price:	\$1,550,000
Unit Sale Price (per square foot):	\$2.27
Buyer:	Opus/ AEW Naperville LLC
Seller:	Metropolitan Life Insurance Company
Document No.:	R97-185616

Comments

The sale consists of a vacant parcel of land which is zoned ORI: Office, Research and Light Industry District. The seller was Metropolitan Life Insurance Company. The purchaser was Opus/AEW Naperville LLC who intends to develop a 160,000 square foot speculative office building on the site. The property rights conveyed in this transaction were fee simple estate. The purchaser acquired the property using cash. All utilities are available to the site.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 9



Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 9

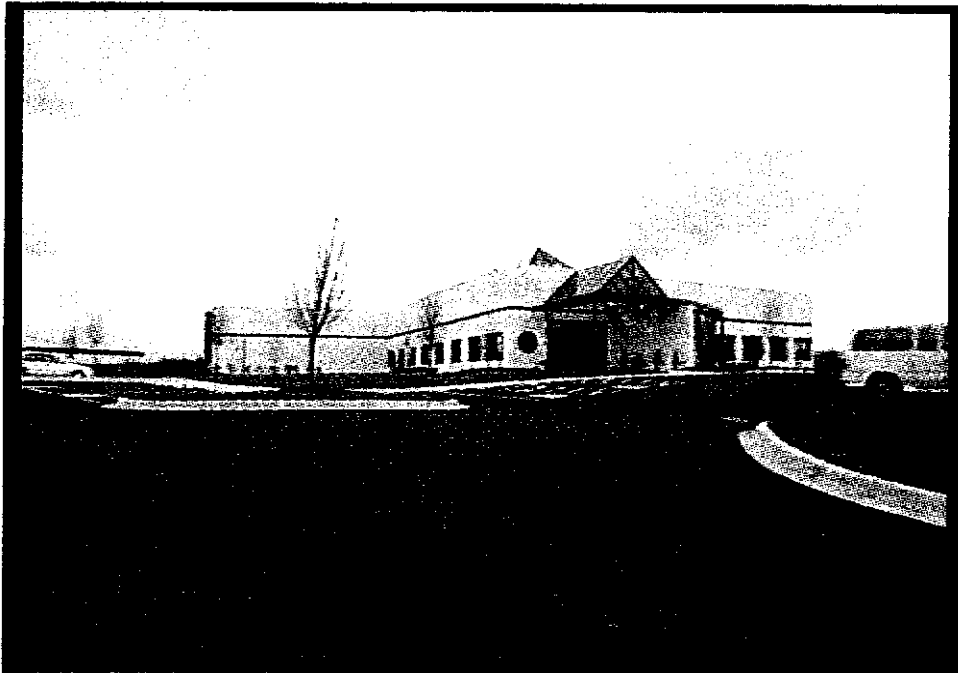
Date of Sale:	August, 1997
Location:	4350 Weaver Parkway Warrenville, IL
P.I.N.:	07-01-304-002 (portion of)
Land Area (square feet):	182,952
Zoning:	S.D.: Special Development, Light Industrial Use
Flood Plain:	C
Sale Price:	\$988,713
Unit Sale Price (per square foot):	\$5.40
Buyer:	Weaver Parkway LLC
Seller:	Warrenville Development L.P.
Document No.:	R97-127465

Comments

The sale consists of a vacant parcel of land which is zoned S.D.: Special Development District, Sub-Area H: Light Industrial Park Use. The seller was Warrenville Development L.P. The purchaser was Weaver Parkway LLC who developed a one-story 40,000 square foot office building on the site for Reltec. The property rights conveyed in this transaction were fee simple estate. The purchaser acquired the property using typical financing terms.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 10



Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 10

Date of Sale:	September, 1997
Location:	4250 Weaver Parkway Warrenville, IL
P.I.N.:	07-01-304-001 (portion of)
Land Area (square feet):	178,596
Zoning:	S.D.: Special Development, Light Industrial Use
Flood Plain:	C
Sale Price:	\$869,663
Unit Sale Price (per square foot):	\$4.87
Buyer:	Rapp Real Estate LLC
Seller:	Warrenville Development L.P.
Document No.:	R97-140083

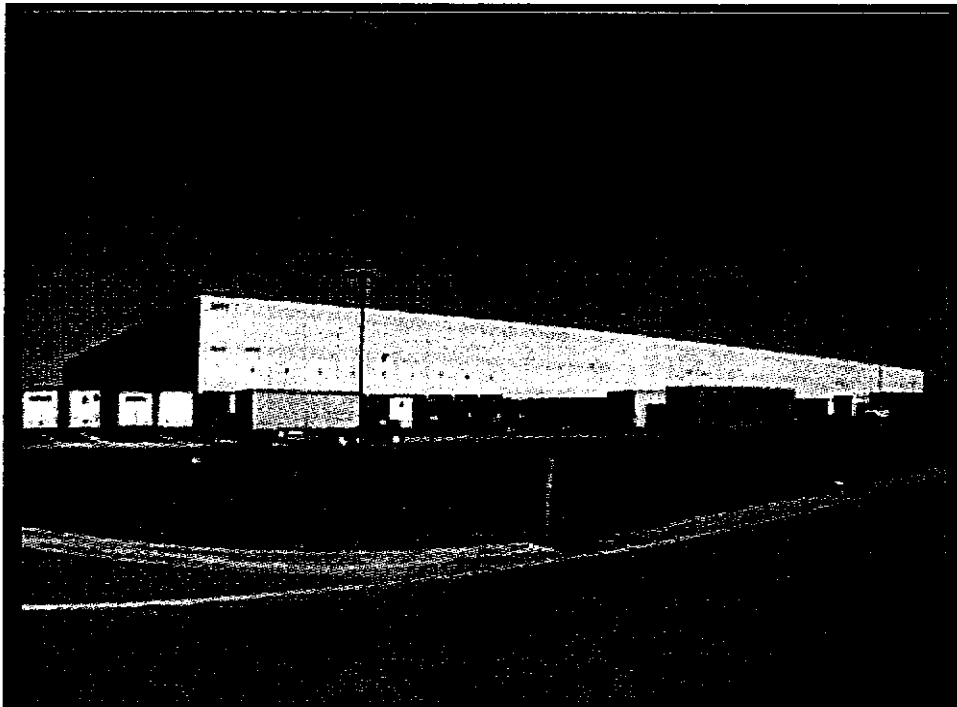
Comments

The sale consists of a vacant parcel of land which is zoned S.D.: Special Development District, Sub-Area H: Light Industrial Park Use. The seller was Warrenville Development L.P. The purchaser was Rapp Real Estate LLC who developed the site with a 30,000 square foot officer/laboratory building for Tox Pressotechnik. The property rights conveyed in this transaction were fee simple estate. The purchaser acquired the property using cash.

All utilities are available to the site.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 11



Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 11

Date of Sale:	March, 1997
Location:	2727 Diehl Road Naperville, IL
P.I.N.:	07-04-302-002, -006
Land Area (square feet):	1,785,960
Zoning:	I: Industrial
Flood Plain:	Unshaded X
Sale Price:	\$2,770,612
Unit Sale Price (per square foot):	\$1.55
Buyer:	Centerpoint Realty Services Corporation
Seller:	TCW Land Fund I Holding Company
Document No.:	R97-79599

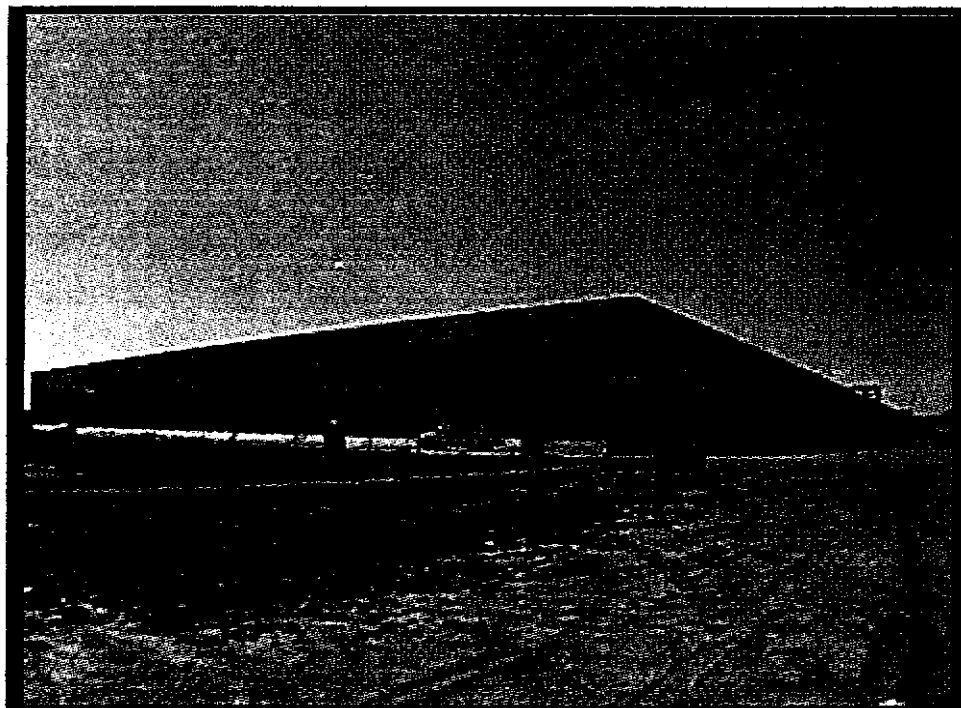
Comments

The sale consists of a vacant parcel of industrial zoned land. The seller was TCW Land Fund I Holding Company. The buyer was Centerpoint Realty Services Corporation who developed the site with a build-to-suit industrial building. The site was formerly a farm. The property rights conveyed in this transaction were fee simple estate. The purchaser acquired the property using cash.

The site has frontage on the East-West Tollway (Interstate 88). All utilities are available to the site.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 12



Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Land Sale No. 12

Date of Sale:	September, 1997
Location:	SEC of Eola Road and Ferry Road Aurora, IL
P.I.N.:	07-05-101-006, -007, 07-05-201-006, -010, -012
Land Area (square feet):	2,091,315
Zoning:	PDD: Planned Development District
Flood Plain:	Unshaded X
Sale Price:	\$5,291,028
Unit Sale Price (per square foot):	\$2.53
Buyer:	Opus North Corporation
Seller:	LaSalle National Bank Trust #43123
Document No.:	R97-174247

Comments

The sale consists of a vacant parcel of industrial land zoned land. The seller was the LaSalle National Bank Trust #43123. The purchaser was Opus North Corporation who has developed the site with a build-to-suit distribution warehouse for Excel Logistics. The property rights conveyed in this transaction were fee simple estate. The purchaser acquired the property using typical financing terms.

The site is adjacent to the Elgin Joliet & Eastern Railroad Tracks. All utilities are available to the site.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Summary of Adjustments to Land Sale Comparables

The sale comparables have been divided into three categories: Interchange Sales of Large Sites, Interchange Sales of Small Sites, Non-Interchange Sales of Office and Industrial Sites.

The following three tables summarize the physical characteristics of each sale property and the subject property, the adjustments made for each physical characteristic, and the overall judgement of the degree similarity between the subject and the sale.

As mentioned in the Highest and Best Use Section, it is our opinion that 4 acres of the West Parcel should be used for hotel use and the remaining 35.54 acres should be used for single-tenant office or for large speculative office development. It is our opinion that the East Parcel should be used for single-tenant office or for large speculative office development.

Although we did not use it as a sale comparable, we are aware of the Prairie Point Corporate Park Complex sales. In 1996, 78 acres sold for \$1.03 per square foot. In 1997, 34.93 acres sold for \$1.04 per square foot. The unit sale prices were negotiated in 1995 and were "taken down" in a series of "rolling" options at the same "take-down" price.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Interchange Sales of Large Sites

Sale No.	Date of Sale	Location	Zoning	Intended Use	Acres	Size (square feet)	Price per Square Foot	Overall Comparability
1	5/96	NWC I-88 & Route 59 Naperville	I: Industrial	Speculative Office/Retail	109	4,748,040	\$1.54	
	+	=	=	=	+	+		+
2	11/96	Carmax 3320 Odyssey Court Naperville	I: Industrial	Retail	79.98	3,483,929	\$2.11	
	+	=	=	-	+	+		+
3	4/97	AMC Theaters 28250 Diehl Road Warrenville	S.D. Special Development, Commercial Center Use	Movie Theaters	44.9243	1,956,902	\$5.35	
	=	=	-	-	+	+		-
Sub.	10/98	NICOR West Parcel	I: Industrial	Single-tenant Office or Large Speculative Office Development	35.54	1,548,122	---	

- + Indicates positive adjustment to unit sale price of sale property (considered inferior to subject).
- = Indicates minimal adjustment to unit sale price of sale property (considered similar overall to subject).
- Indicates negative adjustment to unit sale price of sale property (considered superior to subject).

Sale Comparable Nos. 1 and 2 are considered inferior to the subject property due to their older sale dates and larger, less marketable sizes. Sale Comparable No. 3 is considered superior to the subject property due to its zoning. It is our opinion that the purchaser of Sale Comparable No. 3 paid a premium price for the site. The purchaser, American Multi-Cinema Incorporated, used the site to build a 30 screen movie theater. The building of a 30 screen movie theater usually creates controversy due to the increase of automobile traffic generated. The unit value for the area of land reserved for single or multi-tenant office use in the West Parcel would logically fall between \$2.11 per square foot to \$5.35 per square foot.

In selecting a unit value for the West Parcel, consideration has been given to the reduced availability of capital for commercial real estate since early September, 1998. Although market fundamentals are excellent, the reduced availability of capital has impacted future development.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

It is our opinion that 35.54 acres (1,548,122 square feet) of the West Parcel would have a unit value of \$3.25 per square foot.

Unit Value of Subject Land Site for single or multi-tenant office use	\$3.25 per sq. ft.
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<u>Multiplied by:</u> Area for single or multi-tenant office use	\times <u>1,548,122</u> sq. ft.
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<u>Equals:</u> Land Value of area reserved for single or multi-tenant office use	= \$5,031,397
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Rounded,	\$5,030,000
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It is our opinion that the value of 35.54 acres of the West Parcel is \$5,030,000.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Interchange Sales of Small Sites

Sale No.	Date of Sale	Location	Zoning	Intended Use	Acres	Size (square feet)	Price per Square Foot	Overall Comparability
4	8/96	Hawthorne Suites & Country Inn 1843-1847 Diehl Road Naperville	ORI: Office, Research & Light Industry	Hotel	3.3	143,748	\$6.96	
	+	=	-	=	=	=		=
5	4/97	AmeriSuites 4305 Weaver Parkway Warrenville	S.D. Special Development, Commercial Center Use	Hotel	3.192	139,044	\$8.50	
	=	=	-	=	=	=		-
6	8/97	Cornerstone at Cantera Ferry Road, west of Winfield Road Warrenville	S.D. Special Development	Speculative Office	7.187	313,062	\$6.00	
	=	=	-	+	=	=		+
Sub.	10/98	NICOR West Parcel	I: Industrial	Hotel	4	174,240	---	

- + Indicates positive adjustment to unit sale price of sale property (considered inferior to subject).
- = Indicates minimal adjustment to unit sale price of sale property (considered similar overall to subject).
- Indicates negative adjustment to unit sale price of sale property (considered superior to subject).

Sale Comparable Nos. 4, 5 and 6 are considered similar in terms of being located at interchanges. The value of the subject property would logically fall between \$7.00 per square foot and \$8.50 per square foot. However, there is currently a significant reduction in construction of hotels due to overbuilding and overall economic conditions. As a result, we feel that the unit value would be towards the lower end of unit values indicated by the sale comparables.

It is our opinion that 4 acres (174,240 square feet) of the West Parcel would have a unit value of \$7.00 per square foot.

Unit Value of Subject Land Site
for hotel use

\$7.00 per sq. ft.

Multiplied by: Area for hotel use

× 174,240 sq. ft.

Equals: Land Value of area
reserved for hotel use

= \$1,219,680

Rounded,

\$1,220,000

It is our opinion that the value of the 4 corner acres of the West Parcel is \$1,220,000.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

The value of the entire West Parcel (39.54 acres) would be \$6,250,000.

Land Value of area reserved for single or multi-tenant office use	\$5,030,000
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<u>Plus:</u> Land Value of area reserved for hotel use	+ <u>\$1,220,000</u>
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<u>Equals:</u> Total Value of the West Parcel	= \$6,250,000
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Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Non-Interchange Sales of Office and Industrial Sites

Sale No.	Date of Sale	Location	Zoning	Intended Use	Acres	Size (square feet)	Price per Square Foot	Overall Comparability
7	8/97	Brookdale Gateway Brookdale Road Naperville	OCI & ORI	Office Park	30.71	1,337,728	\$1.50	
	=	+	-	=	+	+		+
8	11/97	Center Point Business Park NEC Washington Street @ Diehl Road Naperville	ORI: Office, Research & Light Industry	Speculative Office	15.671	682,629	\$2.27	
	=	+	-	=	-	-		=
9	8/97	Reltec 4350 Weaver Parkway Warrenville	S.D. Special Development, Light Industrial Use	Single Tenant Office	4.2	182,952	\$5.40	
	=	=	=	=	-	-		-
10	9/97	Tox Pressotechnik 4250 Weaver Parkway Warrenville	S.D. Special Development, Light Industrial Use	Single Tenant Office	4.1	178,596	\$4.87	
	=	=	=	=	-	-		-
11	3/97	2727 Diehl Road Naperville	I: Industrial	Industrial	41 (gross)	1,785,960	\$1.55	
	=	+	=	+	+	+		+
12	9/97	SEC Eola Road & Ferry Road Aurora	PDD: Planned Development District	Industrial	48.01	2,091,315	\$2.53	
	=	+	-	+	+	+		+
Sub.	10/98	NICOR East Parcel	I: Industrial	Single-tenant Office or Large Speculative Office Development	23.81	1,037,164	---	

- + Indicates positive adjustment to unit sale price of sale property (considered inferior to subject).
- = Indicates minimal adjustment to unit sale price of sale property (considered similar overall to subject).
- Indicates negative adjustment to unit sale price of sale property (considered superior to subject).

Sale Comparable Nos. 9 and 10 are considered superior to the subject and have unit values ranging from \$4.87 per square foot to \$5.40 per square foot. These sales are considered superior due to their smaller, more marketable sizes. Sale Comparable Nos. 7, 11 and 12 are considered inferior to the subject property and have unit values ranging from \$1.50 per square foot to \$2.53 per square foot. These sales are considered inferior to the subject due to their inferior locations and larger, less marketable sizes. Sale Comparable Nos. 11 and 12 are industrial site sales. These sites are included to set the minimum unit of value for the subject. Sale Comparable No. 8 is considered similar to the subject and has a unit value of \$2.27 per square foot.

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It is our opinion the 23.81 acres (1,037,164 square feet) of the East Parcel would have a unit value of \$2.75 per square foot.

Unit Value of Subject Land Site for office use	\$2.75 per sq. ft.
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<u>Multiplied by:</u> Area for office use	\times <u>1,037,164</u> sq. ft.
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<u>Equals:</u> Land Value of area reserved for office use	\$2,852,201
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Rounded,	\$2,850,000
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It is our opinion that the value of 23.81 acres of the East Parcel is \$2,850,000.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Conclusion

- Reconciliation and Final Estimate of Value
- Contingent Conditions
- Certification

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Reconciliation and Final Estimate of Value

The Sales Comparison Approach

In the Sales Comparison Approach, the value is indicated by comparing the subject property to comparable properties that have sold, and adjusting for the many differences between the subject and sale properties. The sale price also indicates the income producing capabilities of the property and what it is worth to an investor.

After careful consideration of the facts and data influencing the value of the subject property as defined in this report and subject to the limiting conditions of this report, it is our opinion that the market value of the subject property as of October 29, 1998, was:

West Parcel: SIX MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

West Parcel - \$6,250,000

East Parcel: TWO MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS

East Parcel - 2,850,000

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Contingent Conditions

Real Estate Analysis Corporation assumes that the fee simple title to this property is good and marketable; no title search or survey has been made of the property by Real Estate Analysis Corporation, and the value estimate is given without regard to any questions of title, boundaries, encumbrances, or encroachments.

Real Estate Analysis has not been provided with any subsoil tests. It is recommended that an engineer's subsoil analysis be prepared before any sale or development.

Real Estate Analysis Corporation assumes that the subject property as improved will remain in conformance with the applicable zoning requirements and building restrictions over the remaining economic life of the property.

Real Estate Analysis Corporation has neither performed nor been furnished with an environmental study of the subject property. It is assumed that the subject property has not been contaminated by any hazardous materials.

Real Estate Analysis Corporation assumes any special assessments and real estate taxes are entirely paid and that the property is free and clear of such encumbrances.

The plot plan included in this report is intended only for the purpose of showing spatial relationships; it is not a measured survey, and carries no responsibility for cartographic or surveying errors.

The value estimates are based on the status of the national business economy and the purchasing power of the dollar as of the date of valuation.

Real Estate Analysis Corporation assumes no liability because of inaccuracies or errors in said estimate and opinions.

The appraisal is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal, and is invalid if so used.

Possession of this report, or copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the applicant. Neither all nor any part of the contents of this report may be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the author of this appraisal report.

The appraiser herein by reason of this appraisal is not required to give testimony in court with reference to the subject property unless otherwise previously arranged.

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Certification

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Martin Houlihan has made a personal inspection of the property that is the subject of this report; Robert Herman has made a personal inspection of the subject property.
- no one provided significant professional assistance to the person, or persons, signing this report.
- the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, Robert Herman has completed the requirements of the continuing education program of the Appraisal Institute.

Based upon my experience as an appraiser and consideration of the information contained in this report, it is my opinion that the market value of this property, as defined herein, was \$6,250,000 for the West Parcel and \$2,850,000 for the East Parcel as of October 29, 1998.



Martin Houlihan, Staff Appraiser



Robert Herman, MAI

Illinois State Certification Number: 153-000888

Certification Expiration Date: September 30, 1999

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Qualifications of the Appraiser

Martin Houlihan

- | | |
|--------------------|---|
| Employment | <ul style="list-style-type: none">• Field Appraiser of office, commercial, industrial and special purpose property for Real Estate Analysis Corporation, Chicago, Illinois (1997 to Present).• Legislative Aide for Speaker of the Illinois House of Representatives - Michael Madigan, Chicago, Illinois (1996 to 1997)• Market Reporter for Chicago Mercantile Exchange, Chicago, Illinois (1995 to 1996)• Fundraising Consultant, Giglio for Congress Campaign, Calumet City, Illinois (1994 to 1995) |
| Education | <ul style="list-style-type: none">• Bachelor of Arts Degree, Major in Political Science, Providence College, Providence, Rhode Island, May, 1994. |
| Real Estate | <ul style="list-style-type: none">• Real Estate Education CompanyApp II Foundation of Real Estate Appraisal |

Appraisal of Vacant Land Parcels, Route 59 & Ferry Road, Naperville, Illinois

Robert C. Herman

Professional Designations	<ul style="list-style-type: none">• Certified General Real Estate Appraiser, State of Illinois• MAI, Member of the Appraisal Institute
Employment	<ul style="list-style-type: none">• Field Appraiser of residential, commercial, industrial and special purpose property for Real Estate Analysis Corporation, Chicago, Illinois (1984 to Present).
Professional Experience	<ul style="list-style-type: none">• Appraised various types of real estate including single family, multi-family, industrial, commercial, and special purpose properties. Industrial properties included factories, warehouses, truck terminals and steel mills. Commercial properties included hotels, motels, office buildings, department stores and nursing homes.
Memberships	<ul style="list-style-type: none">• Appraisal Institute• Urban Land Institute• Pension Real Estate Association• National Association of Real Estate Investment Trusts
Education	<ul style="list-style-type: none">• Bachelor of Business Administration Degree from the School of Business, Major In Finance-Real Estate, University of Wisconsin - Madison, August 1983.
Papers and Presentations	<ul style="list-style-type: none">• "The Need for Definitive Standards in The Real Estate Valuation Process", ERISA Advisory Council of the United States Department of Labor, Washington D.C., October, 1995.• "Valuation of Land Based Casinos and Racetracks", IAAO - Legal Seminar, Orlando, Florida, May, 1995.• "Valuation of Riverboat Casinos", Missouri Assessor's Association, Springfield, Missouri, October, 1995.
Real Estate	<ul style="list-style-type: none">• American Institute of Real Estate Appraisers:<ul style="list-style-type: none">1A-1 - Real Estate Appraisal Principles1A-2 - Basic Valuation Procedures1BA - Capitalization Theory and Techniques, Part A1BB - Capitalization Theory and Techniques, Part B2-1 - Case Studies in Real Estate ValuationSPP - Standards of Professional Practice2-2 - Report Writing and Valuation Analysis• University of Wisconsin - Madison:<ul style="list-style-type: none">Real Estate ProcessReal Estate FinanceValuation of Real EstateCommercial Real Estate DevelopmentUrban Transport Economics

JUN -06'00(TUE) 15:20

JUN-06-2000 16:14

IL HISTORIC PRES AGENCY

TEL: 847 696 4065

P.001



Illinois Historic Preservation Agency

1 Old State Capitol Plaza • Springfield, Illinois 62701-1507 • (217) 782-4836 • TTY (217) 524-7128

DUPAGE COUNTY
Naperville
SPACECO #2716
Ferry Road
105.0-acre business park

June 6, 2000

Mr. William B. Loftus, P.E., Vice-Presid
SPACECO, INC.
Consulting Engineers
9575 West Higgins Road, Suite 700
Rosemont, Illinois 60018

PLEASE REFER TO:
IHPA LOG #990316010PDU

Dear Sir:

Thank you for requesting comments from our office concerning the possible effects of the referenced project on cultural resources. Our comments are required by Section 106 of the National Historic Preservation Act of 1966, as amended, and its implementing regulations, 36 CFR 800: "Protection of Historic Properties".

Our staff has reviewed the specifications and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

This clearance remains in effect for one (1) year from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please submit a copy of this letter with your application to the state or federal agency from which you obtain any permit, license, grant, or other assistance. Please retain this letter in your files as evidence of compliance with Section 106 of the National Historic Preservation Act of 1966, as amended.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

AEH:JSP

Post-It® Fax Note	7671	Date	6-6-00	# of pages	1
To	DAVID BENLINS		From	BILL LOFTUS	
Co./Dept.			Co.	(KMB)	
Phone #	-		Phone #		
Fax #	630-783-9050		Fax #		

Exhibit H
TOTAL P.01

ILLINOIS COMMERCE COMMISSION
DOCKET NUMBER: 00-0603
DATE SUBMITTED: 10/17/00

DATA REQUEST: GEG-1.01

What accounting entries will be made on the books and records of the utility for the sale?

- (a) List all entries including those for the capital expenditures to be made and transfer of property that is to be made to the not-for-profit property owners' association.
- (b) Indicate what amount of the capital expenditures will be allocated to the property that is sold and the methodology used including the reasons supporting that methodology.
- (c) List amounts for each of the three phases if appropriate.
- (d) Indicate if the net gain or loss considered an "above the line" gain or loss or a "below the line" gain or loss.

RESPONSE TO GEG-1.01(a)

The accounting entries to be made on the Company's books and records (in thousands) are:

<u>Prime Account</u>	<u>Description</u>	<u>Estimated Amount</u>	
121	Nonutility property (deferred development costs)	\$5,055	
131	Cash		\$5,055
	(To record development and selling expenditures attributable to all parcels)		
131	Cash (negligible)	\$ -	
121	Nonutility property (deferred development costs)	31	
121	Nonutility property (original cost)		\$ 31
	(To record transfer of 14.86 acres to not-for-profit property owners' association)		
121	Nonutility property (deferred development costs)	\$ 15	
121	Nonutility property (original cost)		\$ 15
	(To record transfer of original cost of other common property to deferred development costs)		
131	Cash	\$7,875	
121	Nonutility property (deferred development costs)		\$3,265
121	Nonutility property (original cost)		52
421.1	Gain on disposition of property		4,558
	(To record gain on sale of the three phases)		

ILLINOIS COMMERCE COMMISSION
DOCKET NUMBER: 00-0603
DATE SUBMITTED: 10/17/00

RESPONSE TO GEG-1.01(b)

The total projected development costs (in thousands) of \$5,101, which includes capital expenditures, contributed property and selling expenses, are allocated to each parcel sold based on the relative estimated fair market value of each parcel in accordance with paragraph 11 of Statement of Financial Accounting Standard No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects.

It is estimated that development costs of \$3,265 (in thousands) will be allocated to each phase of this proposed sale as follows:

Phase 1 = \$1,735

Phase 2 = 714

Phase 3 = 816

RESPONSE TO GEG-1.01(c)

See response to 1.01(b)

RESPONSE TO GEG-1.01(d)

The company proposes to follow the Uniform System of Accounts as prescribed by this Commission, and to include the gains realized as a result of the sales in Account 421.1, Gain on Disposition of Property, which is a " below the line" gain account. This treatment is also consistent with the current practice of the Commission.

THIS RESPONSE PREPARED BY:

Steve Cushman
Supervisor Plant Accounting
Northern Illinois Gas Company
630-983-8676, ext 2711

ILLINOIS COMMERCE COMMISSION

DOCKET NUMBER: 00-0603

DATE SUBMITTED: 10/17/00

DATA REQUEST: GEG-1.02

What is net gain or loss of this sale? Include expenditures made for all improvements made for and relating to the sale. List amounts for each of the three phases if appropriate.

RESPONSE TO GEG-1.02

The estimated net gain on sale for all three phases (in thousands) is \$4,558. The estimated gain for each phase is:

Phase 1 = \$2,430

Phase 2 = 949

Phase 3 = 1,179

THIS RESPONSE PREPARED BY:

Steve Cushman
Supervisor Plant Accounting
Northern Illinois Gas Company
630-983-8676, ext 2711

ILLINOIS COMMERCE COMMISSION

DOCKET NUMBER: 00-0603

DATE SUBMITTED: 10/17/00

DATA REQUEST: GEG-1.03

The appraisal is dated February 1, 1999 and indicates that the market value of the fee simple estate is as of October 29, 1998. Has there been a more recent appraisal of the property upon which to base a sales price? If not, is there any indication that market conditions are such that nothing has changed in the last two years that may affect its market value? Provide evidence to support your conclusions.

RESPONSE TO GEG-1.03

There has not been a more recent appraisal of the property. We continually compared the market to our projected appraised value of \$6,657,701 (\$3,957,701 appraisal + \$2,700,000 capital improvements = \$6,657,701 = \$6.11/ft²). The minimum purchase price of \$7,874,640 equates to \$7.22/ft². Not only is the purchase price above the projected appraised value, it is also above the professional opinion that was provided by our consultants. The consultants have valued the sale at \$6.84 per square foot. Please see the attached Exhibit A.

THIS RESPONSE PREPARED BY:

David Behrens
General Coordinator Strategic Property Management
Northern Illinois Gas Company
630-983-8676, ext 2879



October 13, 2000

Mr. David C. Behrens
General Coordinator, Strategic Property Management
Nicor Gas
1844 Ferry Road
Naperville, IL 60563-9600

RE: Westings Corporate Community Property Values

Dear Dave:

It is our professional opinion that the current values of the sale parcels at Westings Corporate Community vary depending upon proximity to the I-88 Tollway and Rt. 59. The parcels on the tollway will have greater value than the interior parcels, and the parcel at the corner of Ferry Road and Rt. 59 will have greater value than the interior parcels. Specifically, our assessment of value for the sale parcels is:

Parcel	Size	Value	Value Per SF
Lot 1B	309,276 sf	\$1,855,656	\$6.00
Lot 2	257,760 sf	\$1,546,560	\$6.00
Lot 4	523,650 sf	\$4,058,288	\$7.75
Total	1,090,686 sf	\$7,460,504	\$6.84

Please keep in mind that these values are for fully improved sites with utilities, roads, common areas, storm water detention and zoning provided by Nicor.

If you have any questions, please call me at (847) 486-5660.

Sincerely,

MESIROW STEIN REAL ESTATE, INC.
a division of Mesirow Financial

Dan Walsh
Senior Vice President

MESIROW STEIN REAL ESTATE, INC.

1370 Shermer Road, Glenview, Illinois 60025 • 847-998-9500 • FAX 847-998-1591

Mesirow Financial subsidiaries offer: Investment Management • Investment Services • Insurance Services • Investment Banking • Real Estate

Comprehensive

Solutions for

Complex

Real Estate

Needs

Exhibit A

TCN

ILLINOIS COMMERCE COMMISSION

DOCKET NUMBER: 00-0603

DATE SUBMITTED: 10/17/00

DATA REQUEST: GEG-1.04

The appraisal is premised upon the annex building (training center) being demolished.

(a) Does the Agreement for Purchase and Sale of Real Estate call for this?

(b) Does NiCor Gas contemplate doing this?

(c) If not, what is the effect on the appraised value?

RESPONSE TO GEG-1.04(a)

The Agreement for Purchase and Sale of Real Estate does not call for the annex building to be demolished.

RESPONSE TO GEG-1.04(b)

At this time, Nicor Gas does not contemplate demolishing the annex building.

RESPONSE TO GEG-1.04(c)

There is no effect on the appraised value. The appraisal is broken down by West Parcel and East Parcel. The value in question is for the West Parcel. The annex is located on the East Parcel.

THIS RESPONSE PREPARED BY:

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General Coordinator Strategic Property Management
Northern Illinois Gas Company
630-983-8676, ext 2879

ILLINOIS COMMERCE COMMISSION

DOCKET NUMBER: 00-0603

DATE SUBMITTED: 10/17/00

DATA REQUEST: GEG-1.05

Did the value arrived at by the appraiser contemplate the additional expenditure of \$2.1 million for capital improvements? If not, what dollar ramification does this have when comparing the appraised value to the sales price?

RESPONSE TO GEG-1.05

The additional expenditure is \$2.7 million, please refer to question on line 21, page 5, of the Direct Testimony of Joe R. Johnson. The appraiser did not consider the additional expenditure. Nicor Gas added the expenditure to the appraised value to come up with the projected appraised value of \$6,657,701. Please also refer to the response to GEG 1.03.

THIS RESPONSE PREPARED BY:

David Behrens
General Coordinator Strategic Property Management
Northern Illinois Gas Company
630-983-8676, ext 2879

ILLINOIS COMMERCE COMMISSION

DOCKET NUMBER: 00-0603

DATE SUBMITTED: 10/27/00

DATA REQUEST: FD 1

Exhibit A (Sale Agreement), page 11, section 3.9 provides that Northern Illinois Gas Company shall have the option to participate in the development and ownership of each lot, including making equity contributions of property and cash. In regard to this "participation":

- a. State with specificity whether Northern Illinois Gas Company seeks Commission consent and approval under Section 7-102 (g) to use, appropriate, or divert any of its moneys, property or other resources in or to any business or enterprise which is not, prior to such use, appropriate or diversion essentially and directly connected with a proper and necessary department or division of the business of such public utility. If so, then indicate the total dollar amount for which consent and approval is requested.
- b. State with specificity whether Northern Illinois Gas company seeks Commission consent and approval under 7-102 (h) to invest, loan or advance, or to permit to be invested, loaned or advanced, directly or indirectly, any of its money, property, or other resources in, for, in behalf of or to any other person, firm, trust, group, association, company or corporation whatsoever. If so, then indicate the total dollar amount for which consent and approval is requested.

RESPONSE TO FD 1a

Nicor Gas does seek Commission consent and approval under Section 7-102(g). The purchase and sale agreement establishes the Company's right to participate on a lot basis. If Nicor Gas elects to participate, its contribution will be the land at the contract value. The land value in relation to development cost will determine Nicor Gas' equity position. This investment will be a non-utility investment and any income or loss will be recorded below the line.

RESPONSE TO FD 1b

Nicor Gas believes that the proposed activity described in response to FD 1a falls within Section 7-102(g), rather than Section 7-102(h). However, to the extent that the Commission determines that approval under Section 7-102(h) is appropriate, the Company seeks that approval as well.

THIS RESPONSE PREPARED BY:

David Behrens
General Coordinator Strategic Property Management
Northern Illinois Gas Company
630-983-8676, ext 2879

ILLINOIS COMMERCE COMMISSION

DOCKET NUMBER: 00-0603

DATE SUBMITTED: 10/27/00

DATA REQUEST: FD 2

On page 4 of the direct testimony of Joe R. Johnson, Northern Illinois Gas Company intends to participate in an Owners Association, to convey property to the Owner's Association, and to pay a pro-rata share of expenses. In regard to this "participation":

- a. State with specificity whether Northern Illinois Gas Company seeks Commission consent and approval under Section 7-102 (g) to use, appropriate, or divert any of its moneys, property or other resources in or to any business or enterprise which is not, prior to such use, appropriate or diversion essentially and directly connected with a proper and necessary department or division of the business of such public utility. If so, then indicate the total dollar amount for which consent and approval is requested.
- b. State with specificity whether Northern Illinois Gas company seeks Commission consent and approval under 7-102 (h) to invest, loan or advance, or to permit to be invested, loaned or advanced, directly or indirectly, any of its money, property, or other resources in, for, in behalf of or to any other person, firm, trust, group, association, company or corporation whatsoever. If so, then indicate the total dollar amount for which consent and approval is requested.

RESPONSE TO FD 2a

Nicor Gas seeks Commission consent and approval under Section 7-102(g) to contribute Outlot A (original cost equals \$31,070) to the property owners' association. The Company currently pays all costs associated with Outlot A, since it is used for stormwater management for all of the sale parcels plus the Company's corporate headquarters. Outlot A will continue to serve that purpose through the owners' association after the property is conveyed. The contribution of the land to the association is a way to pass some of those costs from the Company on to the other potential lot owners.

RESPONSE TO FD 2b

Nicor Gas believes that the proposed activity described in response to FD 2a falls within Section 7-102(g), rather than Section 7-102(h). However, to the extent that the Commission determines that approval under Section 7-102(h) is appropriate, the Company seeks that approval as well.

THIS RESPONSE PREPARED BY:

David Behrens
General Coordinator Strategic Property Management
Northern Illinois Gas Company
630-983-8676, ext 2879

ILLINOIS COMMERCE COMMISSION
DOCKET NUMBER: 00-0603
DATE SUBMITTED: 10/27/00

DATA REQUEST: FD 3

On page 3 of the direct testimony of Joe R. Johnson, the minimum purchase price for the sale is indicated to be \$7,874,640. The total of the purchase prices for lots 1b, 2, 3, and 4 is \$10,428,352 on page 2 of Company Exhibit A (Sale Agreement). Explain why there is a difference in the minimum purchase price and the purchase price. Indicate the total dollar amount to be paid by Hines Corporate Properties, LLC for the 25.038 acres. If the total dollar amount to be paid is variable, subject to the terms of the Sale Agreement, indicate the complete range of the total dollar amount that may be paid by Hines Corporate Properties, LLC for the purchase of lots 1b, 2, 3, and 4.

RESPONSE TO FD 3

Per Exhibit B (Amendment to Agreement for Purchase and Sale of Real Estate) to the direct testimony of Joe R. Johnson, Hines is not purchasing Lot 3 of Westings Corporate Community. Therefore, the minimum sale price of lots 1b, 2 and 4 is \$7,874,640. Lots 1b, 2 and 4 equate to 25.038 acres, more or less. As recognized in data request FD 3, the dollar amount to be paid by Hines is variable. Specifically, the range of the dollar amount that will be paid by Hines is \$7,874,640 to \$8,319,886.

THIS RESPONSE PREPARED BY:

David Behrens
General Coordinator Strategic Property Management
Northern Illinois Gas Company
630-983-8676, ext 2879

ILLINOIS COMMERCE COMMISSION
DOCKET NUMBER: 00-0603
DATE SUBMITTED: 10/27/00

DATA REQUEST: FD 4

Westings Corporate Community is to own and maintain the common areas of the subdivision (Petition, page 3, Item 5):

- a. State with specificity whether Westings Corporate Community has obtained, or will obtain ownership of the common areas of the subdivision. In your response, indicate the approximate acreage of the common areas of the subdivision, the current estimated appraised value, and the purchase price or consideration received.
- b. State with specificity whether Northern Illinois Gas Company seeks Commission consent and approval for the sale or transfer of the common areas of the subdivision to Westings Corporate Community. If so, indicate the total dollar amount for which consent and approval is requested.
- c. If Northern Illinois Gas Company does not seek Commission approval and consent for the sale or transfer of the common areas of the subdivision to Westings Corporate Community, then indicate when and how Commission consent and approval has been obtained or is intended to be obtained.

RESPONSE TO FD 4a

Westings Corporate Community has not obtained ownership to the common areas of the subdivision. Under the authority requested by the Company in its Petition (please see page 2, item 1 of the direct testimony of Joe R. Johnson), Westings Corporate Community will obtain fee ownership to Outlot A, which is comprised of 14.86 acres. Westings Corporate Community will also have maintenance easements over other common areas, as shown on the attached Exhibit A. The value of Outlot A is included in the sale price for the lots in Westings Corporate Community. Under its Petition, Nicor Gas is seeking authority to contribute Outlot A to the association as its value is recovered in the sale price of the individual lots.

RESPONSE TO FD 4b

see above response

RESPONSE TO FD 4c

not applicable, see above response

THIS RESPONSE PREPARED BY:

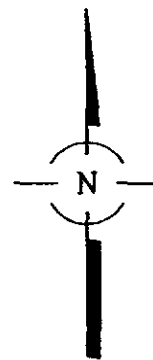
David Behrens
General Coordinator Strategic Property Management
Northern Illinois Gas Company
630-983-8676, ext 2879

The site plan illustrates the layout of Westings Avenue and its surrounding properties. Key features include:

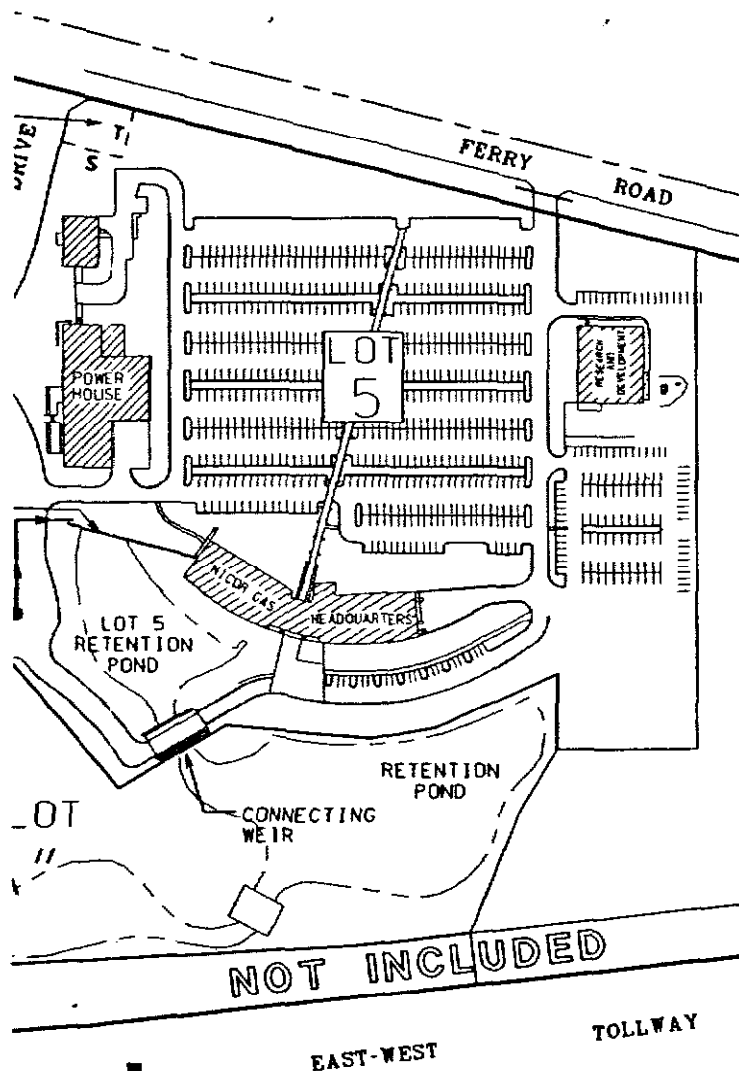
- Properties:** LOT 1, LOT 2, LOT 3, LOT 4, LOT 5 RETENTION POND, and OUTLOT "A".
- Infrastructure:** FERRY ROAD, COMFORT DRIVE, and WESTINGS AVENUE.
- Easements:** ENTRANCE AREA EASEMENTS, COMMON AREA DRAINAGE EASEMENT, WALKING PATH EASEMENT, and APPROX. LOCATION OF 10' WIDE PUMP INTAKE EASEMENT.
- Structures and Features:** POWER HOUSE, WATERFALL FEATURE (WEIR PIT AND STAINLESS STEEL WEIR), and WESTINGS PUMP STATION.
- Other Markings:** IL RTE 59, MATCH LINE, and various survey points (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z).

RATE COMMUNITY AREA PLAN

MATCH LINE



SCALE 1" = 300'



OWNER:
NICOR GAS
1844 FERRY ROAD
NAPERVILLE, IL 60563
630-983-8676

EASEMENT LINE LENGTH	
A	85.00'
B	100.00'
C	100.00'
D	85.00'
M	73.56'
N	62.00'
O	56.12'
P	60.88'
Q	80.00'
R	100.00'
S	100.00'
T	80.00'

NOTE:
REFERENCE IS HEREBY MADE
TO THE PLAT OF SUBDIVISION
FOR DIMENSIONS.

EXHIBIT A

SHEET 2 OF 2

ILLINOIS COMMERCE COMMISSION

DOCKET NUMBER: 00-0603

DATE SUBMITTED: 10/27/00

DATA REQUEST: FD 5

Northern Illinois Gas Company did not receive a FD 5.

RESPONSE TO FD 5

THIS RESPONSE PREPARED BY:

David Behrens
General Coordinator Strategic Property Management
Northern Illinois Gas Company
630-983-8676, ext 2879

ILLINOIS COMMERCE COMMISSION**DOCKET NUMBER: 00-0603****DATE SUBMITTED: 10/27/00****DATA REQUEST: FD 6**

Northern Illinois Gas Company initially will have controlling voting interests in the Westings Corporate Community (Petition, page 3, Item 5). Providing that lots 1b, 2, 3 and 4 are sold, this voting interest will be reduced to approximately 35%. Provide a schedule setting forth, for each of the years 2000 through 2004:

- a. the projected dollar amount of annual total expenses of Westings Corporate Community projected
- b. the projected dollar amount of the pro-rata share of the annual total expenses of Westings Corporate Community to be paid by Northern Illinois Gas Company assuming lots 1b, 2, 3, and 4 are sold
- c. the projected dollar amount of the pro-rata share of the annual total expenses of Westings Corporate Community to be paid by Northern Illinois Gas Company assuming lots 1b, 2, 3, and 4 are not sold

RESPONSE TO FD 6a,b

Year	Estimated Expenses	Nicor Gas' Share	Others Share
2000	\$57,900	\$57,900	\$0
2001	\$62,340	\$42,379	\$19,961
2002	\$64,834	\$37,616	\$27,218
2003	\$67,427	\$31,164	\$36,263
2004	\$70,124	\$24,837	\$45,287

RESPONSE TO FD 6c

If lots 1b, 2, 3 and 4 are not sold, Nicor Gas' share of the expenses would be the values listed in the Estimated Expense column of the above table.

THIS RESPONSE PREPARED BY:

David Behrens
 General Coordinator Strategic Property Management
 Northern Illinois Gas Company
 630-983-8676, ext 2879

State of Illinois)
)
County of DuPage)

AFFIDAVIT OF JOE R. JOHNSON

Joe R. Johnson, being duly sworn, deposes and states as follows:

1. My name is Joe R. Johnson. I am Manager Real Estate for Northern Illinois Gas Company d/b/a Nicor Gas Company. I am responsible for the Company's real estate activities, including purchasing, management and sale of property and the supervision of right-of-way agents in acquisition of right-of-way required in our utility business.
2. I have caused to be submitted in Illinois Commerce Commission Docket No. 00-0603, on behalf of Northern Illinois Gas Company, prepared testimony identified as the Direct Testimony of Joe R. Johnson, consisting of 6 pages of questions and answers plus Exhibits A through H. I am also sponsoring Group Exhibit I which includes Northern Illinois Gas responses to Staff Data Requests GEG-1.01 through GEG-1.05 and FD-1 through FD-6. This testimony was prepared under my direction and supervision. There are no changes or corrections to this testimony, and if I were asked the same questions, I would give the same answers as set forth therein.
3. The aforesaid testimony is my sworn testimony to be submitted in this docket. Further Affiant sayeth not.

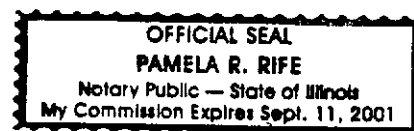


Joe R. Johnson

Sworn and Subscribed before me,
This 7th day of November, 2000



Notary Public



My Commission expires 9-11-2001